

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Pioneer Pump

#### Oregon Manufacturing Extension Partnership

#### Pioneer Pump Implements a Plan for Growth

##### Client Profile:

Pioneer Pump, established in 1996, manufactures pumps used worldwide in a variety of markets including agriculture, mining, food processing, and municipalities. The only U.S. pump manufacturer of its kind, all assembly and manufacturing is done at its facility in Canby, Oregon. The company currently employs 55 people.

##### Situation:

Pioneer Pump was poised to implement its new two-year plan to dramatically increase sales revenues; however, to execute the plan, management realized that the company would have to make the transition from traditional manufacturing to become a Lean Enterprise. At that time, the company was struggling with on-time delivery. An obvious problem at existing production levels, this would hamper Pioneer's ability to successfully attain the production levels proposed under its sales growth plan. Management believed implementation of a continuous improvement/Lean technology program was critical to helping the company reach its production and sales goals. Such a program would streamline systems and processes making growth possible, facilitate better workforce utilization, and make it easier to bring new employees up to speed more quickly. To make the transition to a Lean Enterprise, however, required substantial training for its employees. Pioneer Pump contacted the Oregon Manufacturing Extension Partnership (OMEP), a NIST MEP network affiliate, for help.

##### Solution:

OMEP assisted Pioneer Pump in accessing Employer Workforce Training Funds (EWTF) to be used for employee training, Lean implementation, and Lean champion development. On the project, OMEP provided training for all employees including production, engineering, administrative and management personnel. The training included a series of classes in Lean topics such as Introduction to Lean for Leaders, Principles of Lean Manufacturing, Value Stream Mapping, 5S (Sort, Set in Order, Shine, Standardize, Sustain) Workplace Organization, and Set-up Reduction. During the Lean implementation phase, OMEP improved the sales order lead time and reduced the processing time. Improvements included development of a formalized 5S program for operations including implementation of a visual control board to manage quote lead times. To sustain and expand Lean efforts, OMEP worked closely with the company's Lean champions, individuals charged with driving and leading Lean activities on an ongoing basis. The training and implementation allowed Pioneer to make great strides in transforming their operation to a Lean Enterprise and got them well on the path to carrying out their growth plan. Another EWTF grant received, with OMEP's assistance, provided Pioneer with the additional Lean training and support required to obtain ISO 9001 certification. The second round of training expanded Lean to new organizational areas, supported ISO processes, and focused on developing the company's Lean culture. One aspect of work accomplished here includes helping Pioneer to standardize the use of an A3 problem solving tool across the organization.

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#### **Results:**

- \* Increased sales of \$1.5 million.
- \* Retained sales of \$250,000.
- \* Realized \$125,000 in cost savings.
- \* Invested \$285,000 in equipment, information systems and workforce development.
- \* Created 5 jobs.
- \* Retained 2 jobs.

#### **Testimonial:**

"Working with OMEP has empowered us to look at our business in a whole new light and helped us to grow over 30 percent."

Paul Schlumpberger, Director of Operations